plant.

The government may pay highest attention to various procedural problems faced by the Indian exporters of steel and take immediate steps for necessary redressal. Efforts should be made to simplify procedure and also make those adequately transparent. The pass book system may be extended to all the major ports and a mechanism may be developed to quickly sort out disputes in regards to international prices of inputs. The input output norms for advanced licenses may be changed wherever necessary.

The commercial banks may provide export credit particularly for iron and steel at an interest rate of 13% for credit up to 180 days.

The government should constantly monitor the quality of exports by means of checking out for rejects and registered complaints of the importers. This would help the country's industry to establish a brand image for Indian iron and steel in the global market. In its own interest, the industry must impose self control.

The government should encourage and also support specific R&D efforts for product development to meet international market demands.

Problems being Faced by Visakhapatnam Steel Plant

1607. SHRI V. HANUMANTHA RAO: Will the Minister of STEEL be pleased to state:

(a) whether there are any problems being faced by Visakhapatnam Steel Plant in increasing its production capacity;

(b) whether there is any proposal for capacity enhancement of Visakhapatnam Steel Plant in the Ninth Plan;

(c) if so, details of such plans; and

(d) the funding available for implementing these plans?

THE MINISTER OF STEEL & MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) Visakhapatnam Steel Plant was commissioned in August, 1992 and is steadily moving towards rated capacity levels. 1993-94 was the first year of full integrated operation.

The rated capacity of VSP is given below:

Hot Metal 3.4 million tonnes
Liquid Steel 3.0 million tonnes
Saleable Steel 2.656 million tonnes

The production of VSP from 1993-94 onwards is given below:

(In '000 tonnes)

Year	HOT METAL		LIQUID STEEL		SALEABLE STEEL	
	Production	% Capacity	Production	% Capacity	Production	% Capacity
1993-94	2369	70.0%	1355	45%	1184	45%
1994-95	2836	83.4%	1940	65%	1560	59%
1995-96	3213	94.5%	2381	79.4%	2136	80.4%
1996-97 (Apr.—Jan. '97)	2673	94%	1976	79%	1695	77%

There is no major problem being faced by the plant in increasing its capacity utilisation. However, the operations in the current year have been constrained by prevailing sluggish market conditions.

(b) to (d) Rashtriya Ispat Nigam Limited (Visakhapatnam Steel Plant) has proposed to take up expansion of the Plant from 3 million stage to 4.05 million stage of Liquid Steel production at an estimated cost of Rs. 984 crores (base date of last Quarter 1994-95). The expansion is proposed to be implemented in two phases during 9th Plan period. The expansion will be funded by Visakhapatnam Steel Plant from their own internal resources as well as commercial borrowings. An outlay of Rs. 1029 crores has been provided for the new schemes of Visakhapatnam Steel Plant during 9th Plan period.

Requirement of Sponge Iron

1608. SHRI SANJAY NIRUPAM: Will the Minister of STEEL be pleased to state:

(a) the requirement of sponge iron in the country as on date and the actual production thereof;

(b) the details of gas based sponge iron projects in private sector cleared during last three years, year-wise with details of estimated production therefrom;

(c) whether it is a fact that requisite amount of natural gas supply is not available for sponge iron industry;

(d) if so, the details of such shortage; and

(e) the steps taken to meet the requirements of this thrust area of industry?

THE MINISTER OF STEEL & MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) The demand of Sponge Iron in the country during 1996-97 has been estimated as 3.68 million tonnes. As on 3.3.97, the production of sponge iron has been estimated as 4.427 million tonnes.

(b) Barring certain locational restrictions, no prior approval of the Government is required for establishing gas based sponge iron projects in terms of New Industrial Policy announced in July, 1991. Accordingly, no industrial licence has been issued during last 3 years for setting up gas based sponge iron plants. However, the details of gas based sponge iron plants set up during the last three years are as under:—

(Million tonnes)

Name	Annual Capacity	Production		
		1993-94	1994-95	1995-96
1. M/s. Vikram Ispat	0.75	0.085	0.417	0.347
2. M/s. Nippon Denro Ispat Limited.	1.00	—	0.446	1.105

(c) to (e) Requests of additional allocation for expansion/new capacity have been received. However, as per information received from the Ministry of Petroleum & Natural Gas, the gas projected to be available is fully allocated and therefore, it is not feasible to consider further allocations to the sponge iron sector.